



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Audit Services

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 19, 2015
SUBJECT/REPORT NO:	Report 2014-15 - Review of Hamilton Police Service (HPS) Issues Identified by Mr. Chandrashekar (AUD15001) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ann Pekaruk 905-546-2424 x4469 Amy Bodner 905-546-2424 x4438
SUBMITTED BY:	Ann Pekaruk Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

- (a) That Report AUD15001, respecting Report 2014-15 Review of Hamilton Police Service (HPS) Issues Identified by Mr. Chandrashekar be received; and
- (b) That Report 2014-15 (attached as Appendix "A" to Report AUD15001) be referred to the Police Services Board for further consideration.

EXECUTIVE SUMMARY

On the direction of City Council approved on September 24, 2014, Audit Services undertook a review of the issues identified by Mr. Chandrashekar in correspondence provided by the Hamilton Police Services Board. A list of statements made by Mr. Chandrashekar and Audit Services' comments for each claim are presented in Report 2014-15 attached as Appendix "A" to Committee Report AUD15001.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial: Not Applicable.
Staffing: Not Applicable.
Legal: Not Applicable.

HISTORICAL BACKGROUND (Chronology of events)

On July 21, 2014, the Police Services Board (PSB) approved the following motion:

“That the Board request the City of Hamilton Internal Auditor review the issues identified by Mr. Chandrashekar and confirm they are satisfactory.”

Correspondence (including details of Mr. Chandrashekar’s presentation to PSB on November 18, 2013) from Lois Morin Administrator, Hamilton Police Services Board, on September 18, 2014 respecting the Board’s request was approved by City Council on September 24, 2014 with the motion that the correspondence

“Be received and referred to the City’s Internal Auditor for review and a report to the Audit, Finance and Administration Committee.”

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

The review performed by Audit Services included discussions with Mr. Chandrashekar and relevant Hamilton Police Services and City of Hamilton staff.

The City’s external auditor, KPMG, was contacted by Audit Services to provide a quote for the cost of a separate audit on HPS’ financial operations. The above discussion and fee quotation were incorporated into Audit Services’ comments contained in Appendix “A” to Report AUD15001.

ANALYSIS AND RATIONALE FOR RECOMMENDATION (Include Performance Measurement/Benchmarking Data if applicable)

On September 24, 2014, Hamilton City Council directed Audit Services to review the issues identified by Mr. Chandrashekar in correspondence provided by Lois Morin, Administrator, Hamilton Police Services Board. Any other issues raised by Mr. Chandrashekar during the course of the review were not included in the scope of this project.

Audit Services summarized Mr. Chandrashekar’s statements and claims and provided comments based upon findings from the investigation performed. A summary of Mr. Chandrashekar’s claims and details of Audit Services’ comments are presented in Report 2014-15 attached as Appendix “A” to Committee Report AUD15001. These details were grouped under six general headings: external financial statement audit, 2011 budget, 2014 budget, merging departments, distribution of surplus or deficit and sick leave.

The work performed by Audit Services does not represent an internal audit, a value for money audit or an operational review of Hamilton Police Service.

**ALTERNATIVES FOR CONSIDERATION
(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)**

Not applicable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.2 Improve the City's approach to engaging and informing citizens and stakeholders.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report AUD15001